

**CITY OF SAN DIEGO
M E M O R A N D U M**

DATE: April 7, 2005

TO: Honorable Mayor and City Councilmembers

FROM: Beth A. Murray, Assistant to the City Manager *Beth*

SUBJECT: Mayor – Council Transition: Consultant Report on the Office of Legislative Analyst

In preparation for the April 11 and April 18, 2005 City Council meetings related to the new Office of Independent Budget Analyst and Legislative Analyst, the City's consulting team has conducted research of cities throughout the country that have structures and/or experiences that would be applicable to the City of San Diego as we transition to the new form of governance.

The Dewey Square Group has prepared the attached report, which describes in greater detail case studies of cities that have implemented legislative analysis components as part of their governmental structure.

The Ad Hoc Citizens Advisory Committee is meeting tomorrow Friday, April 8, 2005 to review the consultant's report and formulate recommendations that will be presented to the City Council at the April meetings. In order for the Citizens Advisory Committee (CAC) to review the report and provide meaningful input, the report is being distributed in advance of Friday's CAC meeting. The City Manager's Office will also be preparing a brief Manager's Report for the April 18th City Council meeting that will be distributed as part of the regular docket material.

If you have any questions, please contact me at 619-236-6720 or Bmurray@sanidiego.gov.

Beth A. Murray
Assistant to the City Manager

Attachment

Cc: P. Lamont Ewell, City Manager
Bruce Herring, Deputy City Manager
Citizens Advisory Committee for Mayor – Council Transition



DEWEY SQUARE GROUP

**OFFICE OF LEGISLATIVE ANALYSIS REPORT
SAN DIEGO CITY COUNCIL
COUNCIL-MAYOR GOVERNMENT TRANSITION PROCESS
APRIL 6, 2005**

INTRODUCTION

Our report on the Office of Legislative Analyst (OLA) addresses the expected needs of the City of San Diego as you continue your transition to a Council-Mayor form of governance. DSG have conducted both academic and anecdotal research, assessing cities throughout the country that our methodology suggests have legislative structures and experiences that would be applicable to San Diego.

The following report describes in greater detail the methodology used; case studies or “portfolios” of cities that have undergone similar transitions or have implemented varied legislative analysts; and considerations for San Diego based upon a comparative analysis of this research.

The report is organized into six primary sections:

- I. Recommendations
- II. Purpose and Scope of Work
- III. Methodology
- IV. Comparative Analysis (Table)
- V. Portfolios
 - A. Detroit;
 - B. Jacksonville;
 - C. Indianapolis;
 - D. Los Angeles;
 - E. Oakland;
 - F. San Francisco; and
 - G. State of California
- VI. Conclusions

I. RECOMMENDATIONS

Upfront, DSG strongly recommends creating an Office of Legislative Analysis. As mentioned at the beginning of this report, having a Council-wide policy staff that unifies the individual members will be critical as the Council strives for balance in the new government structure. Additionally, DSG has outlined the main decisions the Council must make to establish an effective OLA. The decisions have been laid out in sequential order.

1. OLA responsibilities (scope of work)

The primary functions of typical OLAs are to provide staff support to the Council, individual Council members and chairs of the Council Committees; to prepare a legislative summary of each bill introduced to council, including impact on present law if enacted; to provide analysis and information concerning pending legislation assigned to committees; responding to public inquiries on legislative matters; to provide policy research and analysis; to give individual assistance with developing legislation and policy; and to assist in drafting legislation. In some cases, the OLA is wholly responsible for the drafting of legislation.

DSG recommends that San Diego's OLA perform the following tasks:

- Prepare legislative summary of each bill introduced to council including impact on present law if enacted;
- Provide research and analysis to the Council, Council Committees and individual Councilors; and
- Assist in the drafting of legislation. This is ultimately the purview of the City Attorney but it should be in the OLA's mandate to assist in this exercise, knowing that all legislation must be approved for the City Attorney.

2. Staff size

The OLA's staff size is relative to the scope of work tasked by the Council. In addition to the primary responsibilities, outlined above, consideration should be paid to the learning curve that will take place as the office establishes itself in 2006. This means that a scaled back scope of work may be in order for the inaugural year. DSG's recommendations below are consistent with recommendations provided in regards to the IBA.

DSG recommends the Council create one Office of Analysis with fiscal and policy wings. Of the cities analyzed, Los Angeles' Chief Legislative Analyst's office and the California Legislative Analyst office come closest to this structure. However, we draw on the experiences of other cities to recommend modifications. The Senior Analyst to this office would have a policy background with an economic focus, and would be responsible for incorporating both the fiscal and policy analyses for report to the Council. In the policy wing, DSG recommends a Deputy Policy Analyst (with a strong policy background, possibly with a law degree or substantial public sector experience) and three junior analysts. In the fiscal wing, DSG recommends a Deputy Fiscal Analyst (with a strong economics/budgeting background) and three

junior analysts with diverse backgrounds.¹ There should also be a small support staff.

DSG recommends the Council consider San Francisco and Jacksonville's staff structure to determine staff size. Both of these offices employ four analysts for the Council as a whole. These cities while smaller than San Diego have workloads that are even heavier due to their consolidated City County governments. Detroit also employs 4 policy analysts for the Council.

3. Staff qualifications

OLA staff usually has at least four-year college degrees, and often advanced degrees. Senior OLA Analysts are policy analysts and social scientists with advanced degrees in law, public administration, political science or related fields. They tend to have excellent communication and research skills and an ability to remain impartial in their work. All have extensive public sector experience.

DSG recommends that all analysts have a minimum of a four-year college degree, and that the Deputy Policy Analyst have a law degree and substantial public sector experience. The Senior Analyst should have the power to staff his/her office, e.g. make hiring recommendations or decisions.

4. Reporting structure to Council

A main function of the OLA is to write reports and respond to specific requests. "Requestors" of the OLA may include:

- Presiding Officer
- Whole Council- by majority vote
- Committee Chairs
- Committee
- Individual members

DSG recommends that requests to the OLA be made by, and in this order:

- Whole Council-by majority vote
- Council President
- Committee Chairs
- Individual members

DSG recommends that San Diego institutionalize a prioritization schedule of responding to requests. The priority should be as listed above, starting with the entire Council, and ending with individual members. DSG also recommends that the Council consider only allowing the Council as a whole or the Council President to request extensive reports, and consider if members may request evaluation of legislation that has not yet been introduced—especially if the structure that DSG has recommended is adopted by the Council. Disputes should be resolved by the Council President.

¹ The junior analysts for both wings should have diverse expertise. In the legislative wing, analysts might have different areas of policy expertise, such as transportation, planning, and social services. In the fiscal wing, one analyst might be focused on tax forecasting, while another is adept at public budgeting.

5. Office location

The physical location of the OLA office will determine its interaction and relationship with the City Council. The desire of the OLA and City Council to be in close proximity must be balanced with the ability of the OLA to be truly independent.

DSG recommends that the OLA office be in the same building as the City Council.

6. Schedule

There is a short period of time to complete the necessary steps in establishing an OLA office.

DSG recommends that the City Council review and discuss the information outlined in this report and the Independent Budget Analyst report. Upon review of these reports, DSG recommends the City Council institute a schedule to create the OLA office prior to January 1, 2006. The schedule should include the following:

- Revise standing rules of order and enact city ordinances defining the goals, responsibilities, and organization of the OLA office;
- Consider creating a "hiring committee";
- Write and distribute job description;
- Conduct candidate interviews for the senior position;
- Conduct candidate interviews for junior positions; and
- Identify and open office space.

II. PURPOSE AND SCOPE OF WORK

DSG was instructed to assist the Council in setting up an Office of Legislative Analysis. As the Council transitions to a co-equal government structure equal with the executive branch, having a Council-wide policy staff that unifies the individual members will be critical as it carves out a meaningful role in the new government structure.

To give the City of San Diego a sense of how other jurisdictions structure their OLA, a number of cities and jurisdictions from across the United States were researched and seven were chosen to highlight as case studies.

III. METHODOLOGY

The seven chosen cities - Detroit, Jacksonville, Indianapolis, Los Angeles, Oakland, San Francisco, and the State of California - were selected based on the relationship of the OLA to an Independent Office of Budget Analysis, city size, form of government, demographic diversity, and city financial capacity.

Portfolios are provided of each of these jurisdictions and recommendations based on San Diego's needs and the best practices of the jurisdictions that were studied.

IV. COMPARATIVE ANALYSIS

This chart is derived from the scope of work document developed by San Diego and is meant to give a side-by-side comparison of the key questions laid out in the considerations of creating an OLA office. More detailed information is contained in the portfolios.

Function	Detroit	Indianapolis	Jacksonville	Los Angeles	Oakland	San Francisco	California
OLA Total Cost (FY 2004-05)	3,175,308; 32% of Council expenditures;	\$50,000; 3% of Council expenditures	\$228,543; 1.6% Council expenditures	\$2-3 million; 9-14% of Council Expenditures;	\$219,879 6% of Council expenditures;	\$285,977; 3% of Board Expenditures	\$5,934,000 2.7% of Legislature expenditures
OLA Reports to:	City Council	Clerk to the Council	Council President	City Council	City Council	Organizationally to the Clerk, but in practical terms, to Committees, President of the Board of Supervisors and to the whole Board	Joint Legislative Budget Committee
OLA takes direction from:	City Council	Council President and Individual Councilors	Council, Committee Chairs, Individual Councilors	Council, Committees, Individual Councilors	President of City Council, whole Council	Committees, President of the Board of Supervisors and to the whole Board	Joint Legislative Budget Committee
OLA as resource throughout year?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Staffing	14 total, 1 Director of Research and Analysis, 8 legal analysts, 4 policy analysts	1 part-time employee of the council	4 total, 1 Chief of Research; 3 Research Assistants	26 total, 1 Chief Legislative Analyst, 1 Assistant Chief, 4 Division Heads, 20 Staff Analysts	2 total, 1 policy analyst, 1 budget analyst (currently vacant position)	4 Analysts	49 Analysts
Staff Background	Director has a JD, pursuing a PhD	Administrative	Legal, various others: public administration, political science or related field public sector experience	Four-year college degree minimum; various majors business, political science, city planning; many have advanced degrees	No formal background requirement, four-year college degree desired	No formal background requirement but most have advanced degrees in public policy or social science	A variety of PhDs including Economics, Mechanical Engineering and History
Role in drafting legislation:	Drafts all legislation	None, General Counsel to the Council drafts all legislation	Rarely, City Attorney drafts most legislation	City Attorney drafts most legislation	Assists in drafting legislation, City attorney drafts most legislation	Assists in drafting legislation; City Attorney drafts most legislation	Doesn't fall to OLA

Interaction among Council, Mayor and OLA:	Works exclusively for the Council	Works exclusively for the Council	Has informal relationship to Mayor's office, but works for exclusively for Council	Works entirely on behalf of Council	Has informal relationship to Mayor's office, but works exclusively for Council and Council President	Participates in "working group" made up of representatives from other offices, including the Mayor's office of budget and policy	Works exclusively for California Legislature
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V. PORTFOLIOS

After researching and reviewing numerous cities, DSG decided to pursue and develop case studies for seven jurisdictions. DSG began by evaluating the institutional structure of the 10 largest U.S. cities and collected information on the demographic make-up and fiscal capacity of cities that have Independent Budget Analyst Offices. The selected cities provided a range of options in their OLA structures and were comparable to San Diego in terms of their total size, form of government, population diversity, and fiscal capacity. Those cities that have an established Independent Budget Analyst Office were of the highest priority for our analyses because they provide the best comparison for San Diego's new organizational structure. The portfolios detailed below are specific to the OLA and should serve as a useful guide to San Diego.

A. DETROIT

Detroit was chosen as a case study because it has a Council-Mayor form of government; as one of the largest cities in the U.S.; it has a total population and city budget that is similar to San Diego; and it has an IBA. Detroit's OLA is an example of a well established research division that also handles the Council's legal needs.

Detroit's OLA, called the Research and Analysis Division, is comprised of sixteen staff members, including eight legal analysts and four policy analysts. The office also employs 8 support staff who work as administrative assistants, videographers, and cable specialists. Detroit established the OLA in 1974 and its FY 2004-2005 operational budget was \$3,175,308.

Detroit's Research and Analysis Director is appointed by a majority decision of the Council. The Director then appoints his/her staff. All of the analysts have a minimum of a four-year college degree; however, the Division's legal analysts must also have a law degree. At the direction of the Council, the Research and Analysis Division can hire outside experts and consultants to assist the City Council. All staff is exempt from civil service except for those that have transferred to the Division from civil service jobs and thus retain some civil service protection. Staff members work on assignments individually or in small teams.

Formally, the Division receives its assignments at the direction of the City Council and reports directly to the City Council. For the most part, the Division receives its

assignments from requests of individual Council members. These requests are received both verbally and/or through written memo.

The Research and Analysis Division provides the City Council with legal, legislative and policy analysis. The Division also provides legal, policy and research assistance to the City Council Task Forces and Committees. The Research and Analysis Director, at the direction of the City Council can render legal opinions, issue subpoenas to executive departments and represents the City Council as their Attorney in certain matters. The Division also provides assistance to the City Council in the drafting of ordinances, legislation, charter language and ballot language. The Division is also in charge of broadcasting city council meetings to the public.

The Research and Analysis Division, like the Fiscal Analysis Division, is considered an arm of the Council. While the Fiscal Analysis Division does the Council's budget and fiscal review, the Research and Analysis Division also reviews fiscal matters but does so from a more policy and legal perspective. The two offices informally work together on matters that have both policy and fiscal impacts although there is no clear working group or structure in place for this collaboration.

STRENGTHS OF THE DETROIT OLA

- Professionalized. The Research and Analysis Division is diverse and composed of many staff members that have a long history of working for the city. This institutional knowledge is very useful in giving the office a comprehensive understanding of policy and legal issues; and
- Comprehensive. The Division's broad scope of work ensures that all policy, legal and fiscal matters are reviewed from the Council's perspective.

WEAKNESSES OF THE DETROIT OLA

- Unclear structure. Without requests coming from a central office (e.g. the Council President), the Division is given numerous assignments from all individual Council members, causing competing priorities for Division staff;
- Unclear directives. There is no clear structure or timeline on how/when Councilmember requests need to be completed; and
- Disconnected. There is no formal connection between the OLA and the IBA in Detroit.

B. JACKSONVILLE

Jacksonville was chosen as a case study because it has a Council-Mayor form of government, it is a large city and it has an influential IBA office. Its OLA is an example of a relatively simple, well-defined, policy oriented research team.

The OLA is headed by the Chief of Research and is assisted by three Research Assistants, for a total staff size of four employees. All of these employees are officially appointed by the Council Personnel Committee, although the Council President is the person mainly responsible for giving the committee its options. The Chief of Research

and the Research Assistants are ultimately hired when the full council passes a resolution approving their hiring. They serve at the pleasure of the council and do not have terms of office.

Salaries for the Chief of Research and 3 research assistants total \$228,543 for the current fiscal year. The operational expenses (phones, office supplies, etc.) are part of the overall Council Staff Services budget, not allocated particularly to the OLA.

The Jacksonville OLA is under the direct supervision of the consolidated City-County Council. They take direction from the Council President and the Council. When it comes to producing reports, the OLA prioritizes the requests in the following manner:

1. Entire Council
2. Council Committees
3. Individual Council members
4. Citizen Boards and Commissions

As the Chief of Research told us, "We're creatures of the whole council. We work for all of them. None of my people work on campaigns or had worked locally in any political or partisan way. That would compromise their ability to work for whoever wins."

Responsibilities of the Jacksonville OLA include:

1. Prepare legislative summary of each bill introduced to council including impact on present law if enacted;
2. Prepare reports on matters of interest to Council or proposed legislation;
3. Staff council committees;
 - a. A research assistant attends all committee meetings;
4. Conduct research on emerging issues;
5. Prepare a reference sheet for each Council meeting that explains amendments and substitutes;
6. Provide a clipping service of local periodicals;
7. Maintain a list of the Council's boards and commissions;
8. Provide research services for boards and commissions that function as an extension of Council; and
9. Maintain the Council library.

STRENGTHS OF JACKSONVILLE OLA

- **Comprehensiveness.** Jacksonville's OLA provides a full range of services to the Council. One of the Council members told us, "Anytime I've ever asked for anything, the turnaround is quick and my own council assistant is not having to do research and policy analysis. It leaves her to focus on constituent issues, which is exactly where I need her.";
- **Proximity.** Another Councilor advised San Diego to keep the OLA close. "Location is important," he said. "Make them feel part of the legislative branch, not the step children stashed in a basement of another building. Make them feel part of the process."; and

- Very clear and accepted prioritization of duties.

WEAKNESSES OF JACKSONVILLE OLA

- Focused on Council as a whole. Requests of individual Councilors are the last priorities the research staff assumes;
- Disconnected. No formal connection to the city IBA; and
- Narrowly focused. No legal expertise is provided by the research division.

C. INDIANAPOLIS

Indianapolis was chosen as a case study because it has a Council-Mayor form of government; as one of the largest cities in the U.S. - it has a total population and city budget that is similar to San Diego; it has an IBA and its OLA is the smallest operation of the cities DSG investigated, offering a unique option for San Diego's consideration.

Only one staff person is dedicated to policy research and that staff person is in the office of the Clerk of the City Council. There are two individuals, The General and Minority Counsel, responsible for the legal work of drafting of legislation - one for the partisan majority and one for the partisan minority offices. They only do the most minimal amount of legislative analysis.

The employee in the Clerk's office has other duties, so it was estimated that her cost (including benefits) to the overall legislative research budget is \$25,000. This person is hired by the Clerk to the Council, who herself is hired by the entire council. She is tasked with occasional research such as studying historical data or compiling information from other cities across the country for research purposes.

The primary responsibility of the General Counsel is to review proposed legislation for "form and content". He/she makes sure the legislation is constitutional and not duplicative of other laws currently in the code and is required to attend Council meetings to provide legal guidance. Any Councilor can direct the General Counsel to examine legislation unless the request is expected to take more than three hours. If that's the case, then the request must go through the Council President's office. According to the Clerk to the Council, the reason for this extra step is budgetary. With such limited funds, she explained, the jurisdiction wants to be judicious with the hours the General Counsel is available to them. Unsaid, of course, is that this allows the Council President more control over the process as well as the projects on which the General Counsel spends his time.

The General Counsel is hired by the Council President although they are officially appointed by the committee on Rules and Public Policy and subject to approval by the entire Council. The terms of contracts are one-year and as such, are not civil service employees.

The Minority Counsel is the overall legal counsel to the minority caucus. That person can and does review proposed legislation, but the legislation is still subject to review by the General Counsel.

STRENGTHS OF INDIANAPOLIS OLA

- Cost. At only \$50,000 Indianapolis' way of structuring its OLA is the most cost effective of all the jurisdictions reviewed.

WEAKNESSES OF INDIANAPOLIS OLA

- Scope of work. Relative to other jurisdictions, the structure in the OLA does not provide some of the services of OLAs in other jurisdictions. As such, more duties and responsibilities fall onto the individual Council staffs; and
- Disconnected. The General Counsel and Research Director are not combined in the same office. This may produce inefficiencies and/or contradictions in policy analyses.

D. LOS ANGELES

Los Angeles was chosen as a case study because it has a Council-Mayor form of government and recently enhanced the power of its executive through a charter revision; it is one of the largest cities in the US and has a diverse population; its Office of Legislative Analysis uniquely performs all of the Council's policy and budgetary analysis and review.

Los Angeles' OLA, called the Chief Legislative Analyst's Office, is comprised of approximately forty staff members, including one chief CLA, two assistant CLAs, four division heads and twenty-five analysts. All CLA analysts are at the will of the council. They must have a minimum of a four-year college degree although many analysts have advanced public policy or professional degrees. Los Angeles' CLA has been in existence since 1975.

LA's OLA operational budget for FY2004-2205 is approximately \$2-3 million. This budget, which is primarily expenditures on staff salaries and budgets, is folded into the City Council's overall budget of \$21 million. The Council does not disclose its itemized budget; however, this is an accurate assessment of salary costs.

The Chief Legislative Analyst serves at the pleasure of the Council and is appointed and removed by a two-thirds vote of the Council. The office receives assignments from both individual Council members and committees. Once the requests are submitted, usually via a council motion or an individual member request, they are tracked through a work assignment system where they are funneled to division heads and ultimately end up assigned to an analyst. Requests are not processed in any particular order; rather, the CLA does everything it can to complete the assignment according to when the member or committee wants it. The CLA's office works confidentially on behalf of the Council and its members and does not share analyses with anybody but the member or committee that requests it. Los Angeles uses a process of "two signature memorandums" on important documents and studies from the CLA. These reports are signed by both the City Administrative Officer and the CLA. This generates an impetus for coalition building across the branches.

The CLA's primary responsibilities are to provide policy, budget and legislative research and analysis on behalf of the City Council, its committees and individual members. The number of specific reports the CLA's office produces vary greatly year to year; however, routine reports include briefing notes and analyses on issues before Council committee hearings; staffing the Council desk when the Council meets/assisting the clerk and City Attorney to ensure that meetings are running smoothly; and having a CLA staff analyst assigned to each Council committee. The CLA's staff writes all council motions but according to the city's Charter, the City Attorney must either write or approve all ordinances. All language, ordinances, charter language, ballot language and legal analysis is handled by the City Attorney.

STRENGTHS OF THE LOS ANGELES OLA

- Integrated. The CLA's role as the Council's budget and policy advisor ensures that all policy, fiscal and budgetary matters are comprehensively reviewed from the Council's perspective. This also reduces duplicative work of fiscal/budgetary matters that would normally have to be evaluated by a separate IBA and OLA;
- Builds Bridges. The use of the dual signature process on key studies encourages teamwork between the Executive and Legislative branches; and
- Confidentiality/Professionalism. The CLA's office is very clear on the fact that they work at the pleasure of the Council and its members and they do everything possible to ensure timely, confidential reports.

WEAKNESSES OF THE LOS ANGELES OLA

- Duplicative work. Between individual Council staff and CLA analysts, there are a number of people researching and analyzing the same issues; and
- Lack of legal integration. The Council depends on the City Attorney's office, not the CLA, for all ordinance drafting and legal analyses.

E. OAKLAND

Oakland was chosen as a case study primarily because it has recently transitioned to a Council-Mayor form of government from a Council-Manager structure. It is also one of the largest cities in the U.S.; and it has a small, unstructured OLA providing another potential option for San Diego.

Oakland's OLA is a very small operation, with funding for two analysts. Currently only one policy analyst is on staff. The second position is targeted toward budget analysis, and is vacant. Oakland established the OLA in 1999. Oakland's OLA operational budget for FY2004-2205 is \$219,879. The primary expenditures are staff salaries and benefits.

As in most cities, Oakland's City Council members are each given funds for staffing. The regular staff structure includes one legislative aide, one person assigned to constituent services and one administrative assistant. Therefore, the legislative aide to each Council member does a majority of the legislative analysis. This includes analysis for the committees on which the Council member either chairs or sits. Additional legislative

analysis for Committees is provided by Oakland's executive branch. This is a result of the former government structure that has not fully changed, in that the committees are structured to correspond with agencies. Therefore, Oakland's OLA generally provides independent research and analysis on "miscellaneous" legislation.

There are no formal requirements for legislative analyst candidates in Oakland though the current analyst said that experience in developing policy is integral to success on the job.

From an organizational structure, the OLA reports to the Council. In practical terms, the OLA works closely with President of the Council. The legislative analyst is appointed and terminated by the President of the Council and not covered by civil service.

Specific responsibilities of the OLA include:

1. Research on specific ordinances proposed to council or that Council members are interested in proposing;
2. Quarterly report to council on their activities; and
3. Assist Council in reviewing and revising Mayor's budget (legislative analysts play a key role in incorporating competing interests on the Council and developing a cohesive council budget).

The Mayor and current President of the Council have a close relationship. The OLA staff has not increased in size since Oakland's government transition, due in part to this congenial relationship. There is not an urgency of having to counter-balance the Mayor's legislative agenda. Alternatively, Oakland's City Attorney is an elected official, and it was suggested by a Council member's legislative aide that it would be good to have an increased OLA staff, to include an attorney, to counter the City Attorney's review of legislation.

STRENGTHS OF THE OAKLAND OLA

- Responsive. Strong working relationship with Council members;
- Efficient. Relatively inexpensive; and
- Relieves workload of Council staff.

WEAKNESSES OF THE OAKLAND OLA

- Limited staff size. Having only 2 analysts means that a limited amount of policy analyses can be performed;
- No legal expertise. Is not situated to go "toe to toe" with City Attorney's office regarding legislation;
- Unstructured. The lack of formal responsibilities of this office means that the analysts tend to work on overflow assignments from the Councilmember, rather than developing policy for the Council as a whole; and
- Appointment from President of Council causes concern that the President can use analysts as additional staff.

F. SAN FRANCISCO

San Francisco was chosen as a case study for the following reasons: it has a Council-Mayor form of government; it is one of the largest cities in the U.S.; it has an IBA and the structure of its OLA is unique enough to include for San Diego's consideration.

San Francisco's OLA is comprised of four analysts who work at City Hall. San Francisco established the OLA in 1997; it became operational in January 1998.

San Francisco's OLA operational budget for FY2004-2205 is \$285,977. The primary expenditures are staff salaries and benefits. The cost of office maintenance cannot be distinguished from the City Clerk expenditures.

The OLA provides independent research and analysis to "assist the legislative efforts of Board members in addressing policy issues."² The OLA staff is made up of graduate students of public policy with social science research skills. The Senior Legislative Analyst has an undergraduate degree in economics and an MBA. Although there is no formal education requirement, the caliber of applicants results in staff having graduate degrees.

OLA staff is appointed by the Clerk of the Board of Supervisors. The Clerk, at times, has organized a "panel of peers"³, that includes representatives from the City Attorney's, Controller's, IBA and Supervisors' offices to be on the selection committee. A reason for doing this is that the Clerk usually has no formal background in legislative or budget analysis. The OLA staff is exempt from civil service.

From an organizational structure, the OLA reports to the Clerk. In practical terms, the OLA works closely with Board members and the President of the Board of Supervisors. Some objectivity and fairness comes into play from all sides to make sure the OLA is meeting the needs of everyone involved. The OLA structure is currently changing in that their first "customers" are the Chairs of Committees. This is followed by requests from individual members or the Clerk of the Board (requests may be confidential). Members can request research, analysis, data gathering, advice and/or consultation when developing legislation and policy. The OLA also assists the full Board, including assistance to Board task forces and advisory committees. Specific responsibilities of the OLA include:

1. Provide staff support to the Board of Supervisors and Chairs of the Standing Committees of the Board and report to each of the members of the Committees;
2. Provide analysis and information concerning pending legislation assigned to the committee;
3. Responding to public inquiries on legislative matters;
4. May collect, evaluate and report on information necessary for legislative oversight and informational hearings;
5. May provide assistance to any Board Member (time permitting) analyzing policy issues and legislation;

² http://www.sfgov.org/site/bdsupvrs_index.asp?id=4375

³ Andrew Murray, San Francisco Senior Legislative Analyst

6. Policy research and analysis;
7. Individual assistance with developing legislation and policy; and
8. Reports often contain costs of funding estimates.

The OLA works with the Mayor's liaison to the Board and works with counterparts from the Mayor's budget and policy office. Specific to the annual budget, the Supervisors' have a working group comprised of representatives from the OLA, IBA, Mayor's budget and policy office, City Attorney's office and Supervisors' offices.

The OLA walks a fine line of being subject to the political whim of Supervisors and being far enough removed to be independent. "There needs to be a certain level of closeness in relationships, to facilitate responsiveness, but enough distance to allow independence. The Clerk serves, in part, as a firewall between the OLA and the Board."⁴

STRENGTHS OF THE SAN FRANCISCO OLA

- Strong working relationship with Board members, but appreciates "firewall" through Clerk's office;
- Organized to be objective; and
- Relatively inexpensive (in comparison to IBA office) for amount of assistance made available to Board members.

WEAKNESSES OF THE SAN FRANCISCO OLA

- Does not have the resources to counter the Mayor's Office of Budget and Policy;
- Does not match respect and strength of IBA office due to longevity of Harvey Rose relationship; and
- Smallest of San Francisco service offices.

G. STATE OF CALIFORNIA

The State of California was chosen because it offers a unique OLA structure that is fully integrated with its IBA. While recognizing it is not a municipal government, it fits other criteria DSG looked for - such as answering to a legislative branch - and offers a good model for structuring the San Diego OLA. San Diego should compare this as a cutting edge option for designing their council. Every state has an OLA and California's is widely recognized as a leader in the field. It is bipartisan, independent and extremely well respected by practitioners. The State of California, like San Diego, has a separate legislative and executive branch. The needs of San Diego's council to balance the power of the Mayor are not different from California's Legislature's need to balance the Governor. The structure is integrated, streamlined, professional, and powerful.

There are a total of 49 employees in the California OLA. The total cost of operations is \$5,934,000, which represents 2.7% of the Legislature's expenditures. The staff is divided by specific areas. When a request comes in from a specific legislator, or when a bill needs a summary, those requests are routed to the staff person based on the issue

⁴ Andrew Murray, San Francisco Senior Legislative Analyst

portfolio they are assigned. The issue areas are: Budget, Business and Labor, Capital Outlay, Criminal Justice, Economics/Forecasting/Taxes, Education, Health; Environment, Social Services, Transportation, State, Local, and Federal Government. In previous years, the OLA analyzed all fiscal legislation and had about 150 staff analysts. The passage of Proposition 130 severely limited the budget in 1990.

This change in duties related to staff size is an indication of the effect scope of work can have on the number of analysts needed. In order to analyze all legislation vs. specific requested reports about 3 times as many analysts were needed. We do not present these numbers to suggest that San Diego should spend \$5 million on their analysts, but spending about 3% of the budget on the IBA and OLA combined is a reasonable figure.

The staff analysts have backgrounds in Economics, Urban Studies, Political Science, Administration and Policy Analysis, International Relations, Public Policy Psychology, Engineering, Public Health, Business Administration, International Management, and History. All staff have college degrees, many with PhDs and Masters in their respective fields. The large size of California's OLA means that they can higher an extremely diverse staff with high levels of training.

The Legislative Analyst, clerical, and technical staff are appointed by Joint Legislative Budget Committee (a bi-partisan committee with 8 each Assemblymen and Senators). They are exempt from civil service. The entire OLA is overseen by the Joint Legislative Budget Committee. This structure is integral to the independent, nonpartisan nature of the OLA.

The two main goals of the OLA are to provide fiscal and policy advice to the Legislature and to ensure the executive branch is implementing policy in a cost efficient and effective manner.

The primary responsibilities of the California Legislative Analysts are:

1. Analyze annual Governor's budget; publish detailed review (Analysis of the Budget Bill) including individual department reviews and recommendations for legislative action;
2. Publish a report providing an overview of the state's fiscal picture; identify major policy issues confronting the legislature;
3. Reviews all requests from the administration to make changes to the budget after it is enacted;
4. Prepares special reports on state budget and topics of interest to the Legislature;
5. Prepares fiscal analysis and summaries of all proposed initiatives and measures that qualify for the statewide ballot; and
6. Annually reviews costs/impacts of state mandated local programs; may recommend modifying or eliminating the mandate.

STRENGTHS OF THE CALIFORNIA OLA

- Independent. California's OLA is accurately seen as completely non partisan;

- Professionalized. Staff represent diverse educational backgrounds and advanced training, The long tenure of the CLA provides an institutional memory for the Legislature; and
- Integrated. Policy and budget analyses are offered by a single office, making reports balanced and broad.

WEAKNESSES OF THE CALIFORNIA OLA

- Cost. At more than \$5 million California's model is not practicable for San Diego;
- Minimized Services. With a smaller budget and staff the OLA can not evaluate all legislation for fiscal impact; and has tended to focus on budget issues over policy issues in the recent past;
- Lack of Politics. Because the OLA is designed to be a neutral analytical body that both sides can trust, it tends to produce information and recommendations that are disembodied from politics; and
- State-wide view. The OLA offers analysis from the perspective of the entire state which may conflict with the perspectives of different regions and parties.

VI. CONCLUSION

There is no one portfolio city structure that will suit all of San Diego's needs in establishing the OLA office. In deciding the best structure for San Diego, DSG suggests that special attention be paid to the following:

- Budget implications;
- Comprehensive timeline to hire and prepare analyst/office; and
- A step by step approach to decisions.